



KEMENTERIAN TENAGA DAN SUMBER ASLI

KERATAN SURAT KHABAR

SURAT KHABAR	:	NST			
TARIKH	:	17/7/2021 (SABTU)	MUKA SURAT	:	24
JABATAN	:	KeTSA			

RM1.32 TARGET PRICE

NST, 17 Jul
2021_24

RHB Research upgrades Solarvest to 'buy'

KUALA LUMPUR: Solarvest Holdings Bhd's recent share price weakness presents an opportunity for investors to trade on further positive news flow from potential contract wins in the coming months.

RHB Research said in a note Solarvest's share price had declined about 24 per cent in the past month, mainly due to the high number of Covid-19 cases that led to stricter lockdown measures.

These stricter measures have slowed the overall progress billings of Solarvest's solar engineering, procurement, construction and commissioning (EPCC) projects.

While the solar EPCC contract flows remained robust, the lockdown and high solar panel prices would likely continue to undermine near-term earnings, the bank-backed research firm noted.

It added that the company's earnings in the first half of financial year 2022 were expected to be affected by the lockdown measures.

Solarvest bagged the main EPCC works for a 20.76MWac large scale solar (LSS4) plant in Kulim, Kedah, from Energy ES Sdn Bhd, a consortium comprising Savelite Engineering Sdn Bhd, Moderntent Development Sdn Bhd and Frasers Construction (M) Sdn Bhd.

The RM87.5 million contract had brought Solarvest's total LSS4 EPCC contract wins to RM130.4 million to date.

"This is within our expectation, as we had imputed RM600 million worth of LSS4 EPCC job wins in our forecasts.

"With its second win in less than two weeks, we expect more LSS4 EPCC contract flows in the coming months, as the company continues to progress in its discussions with other shortlisted LSS4 bidders."

RHB Research has upgraded Solarvest to "buy" from "neutral" with a target price of RM1.32.

"We believe the current valuation is attractive for investors to trade on potential positive news flow," it added.